

65 - INDEPENDENT AGENCIES - REGULATORY

407 - PUBLIC UTILITIES COMMISSION

CHAPTER 309 - BILL UNBUNDLING AND ILLUSTRATIVE BILLS

SUMMARY - This rule requires bills issued by electric utilities to state illustrative rates and charges for electric generation service separately from those for electric delivery service during the period from January 1, 1999 to February 29, 2000. The purpose of bill unbundling is to prepare customers for the separation of these services that will occur under electric restructuring, which will begin on March 1, 2000.

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§ 1 DEFINITIONS**A. Delivery Service**

As used in this Chapter and in illustrative bills required by this Chapter, "delivery service" means all of the rates or charges remaining after the deduction of the illustrative rate for electricity supply, including the transmission and distribution services provided by an electric utility.

B. Electric Service

"Electric service" means the combined electricity supply and delivery service that will be provided by an electric utility until March 1, 2000.

C. Electricity Supply

As used in this Chapter and in illustrative bills required by this Chapter, "electricity supply" means the sale of electric energy and capacity to consumers.

D. Unbundled Rates; Unbundled Bill

"Unbundled rates" means the separation of the rate for electric service into electricity supply and delivery components. An "unbundled bill" means the separation of a customer's bill into electricity supply and delivery components.

§ 2 UNBUNDLED BILL REQUIREMENT; EFFECTIVE DATE

All bills to customers issued by electric utilities between January 1, 1999 and February 29, 2000 shall display separate illustrative charges for electricity supply service separately from the illustrative charges for delivery service. The estimated rate for generation service shall be established as provided in Section 3. The content and format of the bill shall comply with the requirements of Section 5, and the format shall be approved as provided in section 4.

**§ 3 PRELIMINARY FILING OF UNBUNDLED ELECTRICITY SUPPLY RATES;
APPROVAL**

On or before October 1, 1998, each electric utility shall file with the Commission a proposed illustrative rate or set of rates for electricity supply service that is required by section 5(A), an explanation of the basis for the rate or rates, and, if the utility proposes any differentiation among customer classes, an explanation of the basis for that differentiation. The rate or rates shall represent the electric utility's assessment of the current or near-term market price for electricity supply. Approval of the illustrative rates for electricity supply is delegated to the Director of the Technical Analysis Division. The Director shall provide notice to a utility of any questions or grounds for rejecting a proposed illustrative rate for electricity supply within 15 days after the filing of the proposed rate. The Director shall approve illustrative electricity supply rates within 45 days after the filing of the electric utility's initial proposed rate, and, if necessary, may order that a utility use a different illustrative rate or rates for electricity supply than that or those it has proposed.

§ 4 PRELIMINARY FILING OF PROPOSED BILLS; APPROVAL OF FORMAT

On or before September 1, 1998, each electric utility shall file with the Commission a proposed sample bill that shall comply with the format requirements of Section 5(B). Approval of the proposed bill format is delegated to the Director of the Consumer Assistance Division. The Director shall provide notice to a utility of any questions, objections or grounds for rejecting a proposed bill format within 15 days after the filing of the proposed bill format. The Director shall approve the format of the bill within 60 days after the filing of the electric utility's proposed bill format, and, if necessary, may order the utility to modify the format of its proposed bill.

For good cause, pursuant to section 7, the Director may permit a utility to state the rates and charges required by section 5(A)(1) and the informational statement required by section 5(B)(2) in an alternative manner that will provide equivalent notice and understandability to consumers.

§5 CONTENTS AND FORMAT OF UNBUNDLED BILLS

A. Contents

1. Illustrative Rates and Charges for Electricity Supply and Delivery Services

a. Illustrative Electricity Supply Rates, Usage and Total

Bills provided to retail customers by electric utilities shall state the applicable illustrative rate or rates (or minimum or other charges) for electricity supply approved by the Director of Technical Analysis, the customer's electricity supply usage, and the billed amount for electricity supply service for that customer, based on the applicable rate or rates and the customer's usage.

b. Illustrative Electricity Supply Rate Averaged Across All Rate Classes

An electric utility may use a single illustrative electricity supply rate for all customers, without differentiation among customer classes, and without a breakdown of the rate into separate rate elements such as demand and energy.

c. Alternative Illustrative Generation Rates with Customer Class Differentiation

In the alternative, electric utilities may use different illustrative electricity supply rates for different customer classes, and may state separate amounts for different rate elements (e.g., demand and energy charges). Electric utilities may base the differentiation on any reasonable method, including the voltage at which different customer classes are served.

d. Illustrative Rates, Usage and Charges for Delivery Service

Bills shall also state any illustrative applicable rates and charges for delivery service, using the format required by section 5.B(1).

e. Total Rate for Rate Elements that are Unbundled into Electricity Supply and Delivery Service Components

For any rate element that is unbundled into electricity supply and delivery service components, the bill shall state the total rate (the rate contained in the electric utility's rate schedule) for that element.

2. Informational Statement

Each bill shall include the following statement:

This bill reflects actual rates and charges for your account, but they are presented differently. The purpose is to show you how your bill might look after March 1, 2000. At that time, you will be able to purchase electricity supply from competing suppliers. [Name of transmission and distribution utility] will continue to provide delivery services. This bill separates charges for electricity supply and delivery services as an **illustration** of the separate provision of these services in the future. Your total rates and total bill are not affected by this breakdown of your current charges.

B. Format

1. Rates and Charges:

The electric utility shall state each of the following service components on the bill:

- a. the applicable illustrative electricity supply rate or rates (or minimum or other charges), the customer's electricity supply usage and the illustrative billed amount for electricity supply for that customer;
- b. the applicable rates or charges for illustrative delivery service, the usage applicable to delivery service, and the charge for delivery service;
- c. for any rate element that is unbundled into electricity supply and delivery services, the

total rate (the rate contained in the electric utility's rate schedule) for that element; and

d. total charges for electric service for the billing period.

2. Informational Statement

The statement required by section 5.A(2) shall be located on the same page of the bill as the unbundled rates and charges required by subsection A. The combination of type size, location and, if possible, framing of the statement shall be done in such a manner that the statement will be reasonably prominent.

§ 6 RATE DESIGN FOR STANDARD OFFER SERVICE BIDDING; UPDATING OF BILLS

A. Standard Offer Rate Structure

For the purpose of meeting the requirements of Chapter 301 §§ 2(A)(2) and (3) and § 7(B)(2), the Commission, prior to August 1, 1999, shall establish a second set of unbundled generation rates that will provide the basis for the rate structure for standard offer generation bidding and service for each transmission and distribution service territory. The Commission may determine the second set of unbundled generation rates from findings that it makes concerning the rate structure for transmission and distribution services or from other information that is available in the proceedings conducted pursuant to 35-A M.R.S.A. §§ 3208 and 3209, or it may use other relevant information from any other Commission proceeding. The Commission shall conduct a separate proceeding to meet the requirements of this section if it determines that such a proceeding is necessary.

B. Updating of Bills

Following the establishment of the second set of unbundled generation rates required by subsection A, the Commission may require electric utilities to incorporate the second set of unbundled generation rates in bills issued in compliance with section 5 if the Commission finds that doing so will materially aid customers in understanding retail competition.

§ 7 WAIVER

Any electric utility subject to the provisions of this Chapter may request that the Commission waive some or all of the requirements of this Chapter. Where good cause exists, the Commission, the Director of the Technical Analysis Division or the Director of the Consumer Assistance Division may grant the requested waiver, provided that the granting of the waiver is consistent with the intent of this chapter and that the purposes of this chapter will be satisfied in an alternative manner. Any waiver granted may be temporary or for the entire period until March 1, 2000.

Good cause may be found if it is not practicable for an electric utility to meet any of the content or format requirements of this chapter for customer bills prior to the deadlines stated in sections 3 and 4 without unreasonable expenditure, or if meeting specified requirements will require an unreasonable amount of investment or expenditure that will not be usable after February 29, 2000.

§ 8 EXPIRATION OF RULE

This Chapter shall expire on March 1, 2000.

BASIS STATEMENT: The factual and policy basis for this rule is set forth in the Commission's Order Adopting Rule and Statement of Factual and Policy Basis, Commission Docket No. 98-306. Copies of this Order and Statement have been filed with this rule at the Office of the Secretary of State. Copies may also be obtained from the Administrative Director, Public Utilities Commission, 242 State Street, 18 State House Station, Augusta, Maine 04330-0018.

AUTHORITY: 35-A M.R.S.A. §§ 111, 3213(1).

EFFECTIVE DATE: This rule was approved as to form and legality by the Attorney General on July 6, 1998. It was filed with the Secretary of State on July 6, 1998, and will be effective on July 11, 1998.